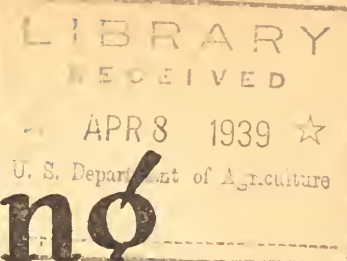


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# Briefly Speaking



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Principal agricultural imports in 1937-38 which more or less compete with the production of American farmers represented the equivalent of 8,000,000 acres, as compared with 37,000,000 acres required to produce for the export market that year. The export acreage exceeded the acreage equivalent of these imports by 29,000,000 acres.

## Export Acres Exceed Imports by 29 Million

The 8,000,000 acreage imports represented approximately 2 percent of the total crop acreage in this country. The acreage required to produce 1937-38 exports is about 10 percent of the country's total crop acreage.

The acreage of exported products during the year represented an increase of 17,000,000 acres over the exports of the preceding year.

From a peak of nearly 64,000,000 acres in 1920-21, the acreage equivalent of the principal farm exports declined by about 46,000,000 acres to a low point in 1934-35, when drought seriously cut the supply of farm products available for exports. Nearly two-thirds of this decline occurred prior to 1932-33.—A. A. A. correspondence.

Assuming that the present area devoted to agriculture were not reduced, this would mean, over a period of years with average weather, vast unsalable surpluses. For agriculture continues to stand face to face with the problem of an increasing potential capacity to produce out of proportion to its capacity to gain outlets for its products.

## Farm Market and Prospects for Expansion

Foreign markets for farm products are not being opened rapidly. Yet the Nation's farm plant continues to be on a scale capable of sending 12 to 25 percent of its output abroad in years of average crop yield.

Domestic requirements for farm products remain relatively inelastic. There is doubt whether consumption at present levels of consumers' income would increase more than 10 percent even if it were possible to reduce prices of farm products 25 to 50 percent. Domestic consumption of farm products remained relatively stable during the years 1930 to 1933 while farm prices were extremely low. Since food habits are relatively inflexible, it is doubtful that any but the very

poor would consume much more as a result of a substantial increase in consumer income. New industrial uses, while promising, do not at present offer definite outlets for large quantities of products beyond present utilization.—*Technological Trends and National Policy, National Resources Committee, June 1937.*

About 18 percent of all farms in the United States are under 20 acres in area, but these include only about 1 percent of the total farm acreage.—*U. S. D. A. Miscellaneous Publication No. 266.*

Farmers with the ever-normal granary can and do produce much more abundantly for city people than city people have been producing for farm people. In the first post-war depression of 1920-21 the output of urban industry dropped 33 percent. In the depression years 1929-32 it dropped more than 50 percent. In the recession of 1937-38 it dropped 33 percent. Farmers wonder why they of all people should be accused of scarcity. In 1937 their production of the 55 leading crops was 6 percent greater than in any previous year in the country's history. There is heavy farm production again this year. Ever-normal granary programs, even in times of glut, will not reduce the farm output as much as industrialists reduce factory production in every slump.—*Report of the Secretary of Agriculture, 1938.*

Over one-fourth of the farms of the Nation in 1929 produced an average of less than \$600 worth of products.

## Farm Income Under \$600 on Many Farms

The typical peasant farm of northern Europe produces more than this—it produces probably nearer \$1,000 worth of products. Fifteen percent of the farms—nearly 1,000,000—produced less than \$400 worth of products. This is approaching the Chinese level of production. Less than 200,000 of these were part-time farms. More than 3,000,000 rural people in that fairly prosperous year, living on three-fourths of a million farms that produced less than \$400 worth of products each, evidently had an income averaging about \$100 per person.—*U. S. D. A. Miscellaneous Publication No. 266.*

Compiled by the Division of Information, Agricultural Adjustment Administration, United States Department of Agriculture from official and unofficial sources for the information of committeemen and others cooperating in the administration of the A. A. A. programs.



Agricultural technology distributes its advantages unequally. It favors the landowner more than the tenant, and the farmer with capital more than the farmer without capital. This is because normally it increases the opportunities for the profitable employment of agricultural capital. True, technological progress often puts new facilities at the disposal of the man on the small, poor farm; but not in the same proportion as it makes them available to the wealthier, better-situated farmer. In the absence of counteracting forces, such as the A. A. A. programs, farm-credit relief, and farm-rehabilitation work, technology would concentrate commercial agriculture in units considerably larger than the present average, and subject the independent family-sized farm to severe competition. More efficiency on some farms would drive others out of commercial agriculture altogether. The same technology that gave us more efficient commercial farms would give us an increasing peasantry; that is to say, a rural group condemned to work inefficiently, to produce little for sale, and to buy little from the towns. \* \* \* Uncontrolled farm technology, in the presence of effective technological controls in urban industry, diverts the lion's share of the advantage to the consumer, and the problem of distributing the gains more equitably both within agriculture and between country and town demands attention urgently. Concerted crop adjustment is a partial answer.—*Report of the Secretary of Agriculture, 1938.*

Farmers' cash income from wheat in 1938 totaled \$430,000,000. This compares with \$603,000,000 in 1937, and with \$200,000,000 in 1932, which was the smallest in the last 28 years. The largest income on record was \$1,572,000,000 in 1919.—*Agricultural Situation, January 1939.*

The supply of feed grains and of hay per grain-consuming animal is the largest in more than 10 years. Livestock are being fed liberally this winter; nevertheless a large supply of feed will be carried over into the 1939 season. Principal supports to feed grain prices in recent weeks have been the Government corn loan and the prospects for a good demand for winter feeding. Prices of hay are the lowest in 6 years.—*Agricultural Situation, January 1939.*

In 1937, after the Federal Government had been building reclamation projects for 35 years, the land in crops receiving water from Federal enterprises totaled 3,043,000 acres, or less than 1 percent of the total land in crops in the country that year. Moreover, this figure included 1,343,072 acres already irrigated by private projects which, under the Warren Act, merely purchased additional water from Federal

storage reservoirs, so that the 1,700,928 acres actually a part of the Federal projects represented only one-half of 1 percent of the 341,000,000 acres harvested in the United States in 1937. Approximately 17,000,000 acres of other cropland were also irrigated in 1937 but the water for these was furnished by private, cooperative, city, or State irrigation enterprises.

The only new land brought under irrigation by Federal projects during the past 5 years has been on projects authorized and started before 1933.

Only about 1,000,000 acres of additional land are expected to be brought under irrigation by 1948 by the Grand Coulee Dam-Columbia Basin and other Federal reclamation projects now under construction, or which have been under construction during the past 4 years. The Grand Coulee project will not be completed until 1964.—*A. A. A. mimeographed material, Facts On Irrigated Land, 1938.*

In spite of the distorting effect on trade data produced by droughts, fluctuations in industrial activity, and a number of other factors during the past four years, available data on foreign trade in agricultural products indicate that trade agreements have substantially benefited American farmers. \* \* \*

Exports of United States farm products to the 16 countries (with which trade agreements were in effect by August 1937) rose by \$102,000,000, or 55 percent, from the fiscal year 1935-36, when only three of the agreements were in effect throughout the year, to the fiscal year 1937-38. Farm exports to all other countries rose by only \$20,000,000, or 3 percent, during the same period. In the case of nonfarm products, there was little difference between the increase in exports to trade-agreement countries and that in exports to other countries.—*The Agricultural Situation, December 1938.*

Sales of wheat and flour for export from the United States totaled approximately 78,400,000 bushels from July 1, 1938, to January 15, 1939. \* \* \* Of the total sales of 78,400,000 bushels for export, the sale of 53,273,000 bushels has been assisted by the Federal export program. \* \* \*

In the wheat exporting program, the Federal Surplus Commodities Corporation purchases wheat from regular grain dealers and producers in the domestic markets and sells it to exporters at prices which will enable United States wheat to maintain its relative position in world markets.

With only a part of the deliveries on sales completed, the estimated losses to the Corporation on sales of wheat, including storage charges, and indemnity on flour for export, average approximately 25 cents per bushel up to January 15, 1939.—*U. S. D. A. Press Release, 1224-39.*

### Small Farmer and Effects of Technology

### Trade Pacts Aid Farmers

### Feed Supplies

### U. S. Aid to Wheat Exports

### Small Portion of Cropland is Irrigated

## The Wheat Problem

### The United States Situation

No adequate wheat adjustment measures in 1937 and 1938.

Wheat acreages in 1937 and 1938 the largest in history.

A total supply of more than a billion bushels—the fourth largest supply in history.

Domestic consumption of 700 million bushels, at the most.

Exports of 100 million bushels.

A total supply of nearly 275 million bushels greater than domestic requirements and normal minimum carryover.

### The World Situation

World wheat crop in 1938 the largest on record.

World supply over a billion bushels greater than world requirements.

*A. A. A. Publication, G-93*

Ever since the Agricultural Adjustment Administration was instituted, it sought to counteract intensive exploitation of the soil, one result of which was to dump huge surpluses of farm products upon the market. The Bible Urged Program for Resting Soil A. A. A. programs aim to check soil exploitation by such practices as shifting a portion of the acreage from soil-depleting to soil-conserving crops, crop rotations, fallowing, providing cover crops, and other similar practices. These practices, farmers know, rest the land. Resting the land so that plant nutrients are stored in the soil means future increases in yield.

There is nothing new in this practice of resting the land. It is as old as the records of agriculture. The Israelites were commanded to rest the land and a program was spelled out for them which was designated as "The Sabbath of the Land." This program is set forth in the twenty-fifth chapter of the Book of Leviticus. The chapter begins as follows:

"And the Lord spake unto Moses in Mount Sinai, saying,

"Speak unto the children of Israel, and say unto them, When ye come into the land which I give you, then shall the land keep a Sabbath unto the Lord.

"Six years thou shalt sow thy field, and six years

thou shalt prune thy vineyard, and gather in the fruit thereof;

"But in the seventh year shall be a sabbath of rest unto the land, a sabbath for the Lord: thou shalt neither sow thy field, nor prune thy vineyard.

"That which groweth of its own accord of thy harvest thou shalt not reap, neither gather the grapes of thy vine undressed: for it is a year of rest unto the land.

"And the sabbath of the land shall be meat for you; for thee, and for thy servant, and for thy maid, and for thy hired servant, and for thy stranger that sojourneth with thee,

"And for thy cattle, and for the beast that are in thy land, shall all the increase thereof be meat."

The twentieth verse continues:

"And if ye shall say, What shall we eat the seventh year? behold, we shall not sow, nor gather in our increase:

"Then I will command my blessing upon you in the sixth year and it shall bring forth fruit for three years."

This excerpt from the Bible is sound farm management today, which many farmers under the stress of mortgages, high taxes, and low prices had forsaken when the A. A. A. programs went into effect in 1933. The principle of a sabbath for the land is written into the A. A. A. programs. The ever-normal granary seeks to store future food and fiber supplies in the soil when they are not currently needed. The promise of eventual increase as the result of resting the land which Leviticus held forth is still being demonstrated on millions of farms where sound farm management plans dictate a program of land rest.—*R. M. Evans, A. A. A. Administrator.*

Our farmers now pay the city people something like \$1,500,000,000 annually for power and power machinery; whereas before the World War, they sold power to the cities in the form of work animals worth several hundred million dollars annually.—*Report of the Secretary of Agriculture, 1933.*

Maintaining our fair share of the world trade is quite another matter from stepping up production with the intention of dumping it abroad at any price \* \* \* Every bushel of wheat or bale of cotton or pound of lard that moves into export trade at a price less than it actually costs to produce in labor, capital, and soil fertility is an absolute loss—never to be recovered. \* \* \* And, finally, we must consider that our most important consumer is the domestic consumer—that we must continue to depend upon the ability and willingness of the American family to consume the major portion of our products. Certainly we are not winning his support very fast by selling him products at high prices and passing the bargains out over the foreign counter.—*R. M. Evans, A. A. A. Administrator, in address at Chicago, Ill., February 1, 1939.*



We have in sight only the payments under the conservation program with which to keep the 1939 tobacco acreage in line. Present indications are that the 1939 crop will exceed the level of consumption. We will not be able to bring about any increase in consumption merely by increasing production, consequently the quantity that we produce in excess of the quantity we consume will be added to present stocks. This will mean a larger adjustment in later years. This adjustment will come about in later years either through some conservation or marketing quota program or through starvation prices. Immediately, the job is to explain the situation to producers and get as many of them as possible to keep their acreage in line. In November or early December we will vote on marketing quotas for 1940. If plantings are increased this year the marketing quotas will be correspondingly smaller next year.—*J. B. Hutson, Assistant Administrator, in address Lexington, Kentucky, January 27, 1939.*

#### Soil Payment Only Check on Tobacco Crop

The ratio of land resources to population in the United States is very large compared with many other countries of the world. Prior to the recent depression and droughts, nearly 3 acres of crops were harvested per person in the United States, as compared with 1 acre in Germany, one-half acre in China, and one-fourth acre in Japan. \* \* \*

This high ratio of resources to population has two serious consequences—there is a tendency to produce more than can be purchased at a fair price, and there is a tendency to let the soils waste away by erosion and other forms of depletion. The tendency to produce beyond the capacity of the people to purchase has led to the Agricultural Adjustment Program, with its objective of a balance between production and consumption; and the tendency toward soil depletion has led to the development of the Soil Conservation Service and the orientation of the Agricultural Adjustment Program to include the conservation of soil resources.—*U. S. D. A. Miscellaneous Publication, No. 260.*

Banks located in agricultural sections, if they are to be of value to their communities, must take an interest in the problems of their farmer customers. As a country banker, I don't deal in all the intricacies of international credit nor the complicated financing of industry. But when it comes to meeting my farmer friends face to face, and talking over their needs, that's where I feel right at home.

So in line with this long-time policy, our bank started in 1933 to give full cooperation to all governmental activities, and when corn loans were offered to farmers we took every loan we could possibly get. We made loans to the extent of \$580,000, and the

remarkable thing about the situation was that the more corn loans we made the more deposits and reserves we had. In other words, the corn loans and our cooperation in handling them, stimulated business in the whole community. Also, we have found it to be good business for ourselves, as bankers, and good for the community as a whole, to provide credit for the reestablishment of breeding stock after the severe droughts of 1934 and 1936, and to cooperate in the loans by the F. H. A. for wheat and corn storage facilities.—*E. E. Placek, Nebraska banker, on U. S. D. A. Radio, Farm and Home Program.*

If the feed crop production this year is near average it is not unlikely that the combined spring and fall pig crops of 1939 will reach or exceed 80 million head, which is the average of the 5 years prior to the 1934 drought.

#### Lower Hog Price Likely

If the 1939 pig crop should be as large as or larger than the 1929-33 average, hog marketings in 1939-40 (year beginning October 1939) will increase to a level at least as high as that prevailing before the drought. This would mean that inspected hog slaughter in 1939-40 would be the largest since 1932-33 and it probably would be about 35 percent greater than the 34.6 million head slaughtered in 1937-38. The increase in consumer demand in 1938-39 will not be sufficient to offset the effect of increased supplies, and hog prices in 1938-39 probably will average lower than in 1937-38, when the average was about \$8. And unless there is further material increase in consumer demand in 1940, hog prices in the 1939-40 marketing year will average lower than in the current marketing year.—*U. S. D. A. Press Release, 1208-39.*

Without shelterbelts many approved crop and soil practices in critical prairie-plains areas may be of only temporary value; may be inefficient in protecting crops and soils. But experience has already proven that shelterbelts often become a bulwark behind which approved land management can be made effective. Prairie States farmers claim, too, that they can save 25 percent of the feed for their livestock during the winter if the stock is protected by shelterbelts or windbreaks. And here is another thing. Out in that country the wind often blows sand along the surface of the ground at such a rate that it cuts and kills tender young plants of cotton, corn, and other grains. Farmers tell me that shelterbelts help prevent that sort of damage. I saw some farms where seed had been blown out of the ground two or three times a year before shelterbelts were planted. Soil blowing is most serious, of course, in the fall, winter and spring months when vegetation on field is scanty or absent. Shelterbelts help stop this, and they also help hold snow which provides additional moisture.—*Excerpts from U. S. D. A. radio interview with F. A. Silcox, Chief of Forest Service.*

#### Trees Reduce Crop Losses in Plains Area

#### A. A. A. Loans Help Banker Serve Farmer